weekly economic review

November 2, 2012

Labour Force Survey

Alberta adds jobs for the fourth straight month

Alberta added 5,000 jobs in October, the eighth month of employment gains this year. The increase in jobs was largely due to gains in professional, scientific and technical services and in manufacturing. The province has added 36,500 jobs since October 2011. The average hourly wage in October was $27.50, up 6.6% year-over-year. Alberta's unemployment rate inched up to 4.5% from 4.4% the previous month. No other province has had a lower unemployment rate than Alberta for the last seven months.

Canadian employment was essentially unchanged in October, increasing by just 1,800 jobs as gains in five provinces were partly offset by losses in the others. On a year-over-year basis, national employment was up 229,000 (+1.3%). Canada's unemployment rate remained unchanged at 7.4% last month.

Rigs Drilling

Drilling activity continues to trend below last year's level

Rigs drilling, an indicator of conventional oil and gas activity, has been tracking below last year's level since June. Drilling activity in Alberta's oil and gas industry was down 29.6% from October 2011. With six year-over-year decreases in the past eight months, rigs drilling are now down 11.0% over the first ten months of this year compared to the same period last year.

GDP by Industry

Canadian GDP declines

Canadian GDP shrank by 0.1% in August. The decline was largely due to reduced activity in durable goods manufacturing (-1.3%) and mining and oil & gas extraction (-0.7%). Within the latter sector, mining was down 2.8%, while oil and gas extraction fell by 0.4%. According to Statistics Canada, the reduced output can partly be blamed on temporary shutdowns for scheduled maintenance at various mines and oilfields throughout the country.

IPPI and RMPI

Metals drive price gains

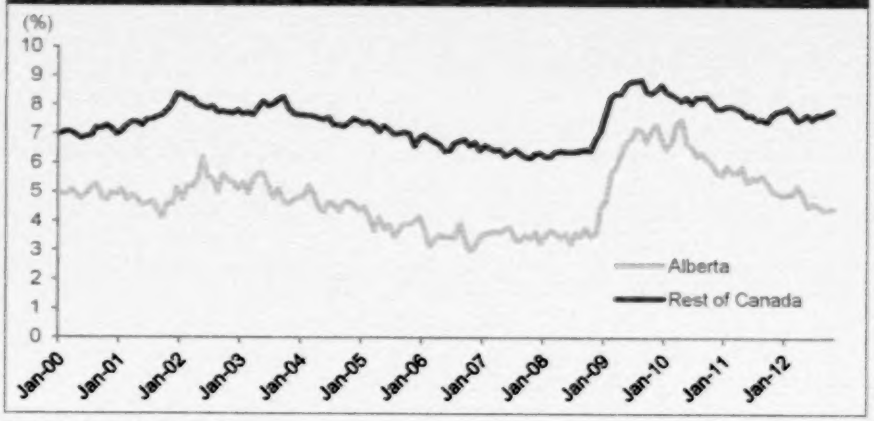
The industrial product price index (IPPI) increased for the first time in four months, jumping 0.5% in September. Primary metals were largely responsible, as prices spiked by 5.1% in September after falling in each of the previous 6 months. The Raw Materials Product Price Index (RMPI) rose by 1.3% in September, the third consecutive monthly increase.

US Employment

Strong jobs report

US payroll employment beat market expectations, increasing by 171,000 in October. This brought the average monthly job gains for 2012 up to 157,000, surpassing the 2011 average of 153,000. Despite the fact there were net US job gains in October, the unemployment rate edged up 0.1 percentage points to 7.9% as more people entered the labour force in search for work. In addition to the October numbers, employment gains for August and September were revised up by a combined +94,000 jobs.

Unemployment Rate (Percent)



Source: Statistics Canada

Closing Prices	October 25,2012	November 1,2012	2012-13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	100.58	100.27	99.95
WTI Oil ($US/bbl)	$86.05	87.09	$92.05
NYMEX Natural Gas ($US/MMBtu)	$3.43	$3.70	$2.75

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	May	Jun	Jul	Aug	Sep	Oct
Population[2] (000's)	3,724	3,778	3,874	..	..	3,874	..	..	..
% change	1.4	1.5	2.5	..	..	2.5	..	..	..
Net interprovincial Migration[2] (level)	-3,271	8,443	28,170	..	..	8,544	..	..	..
Net International Migration[2] (level)	24,100	16,703	37,990	..	..	14,546	..	..	..
Net Non-permanent Residents[2] (level)	14	-7,604	9,721	..	..	5,244	..	..	..
Labour Market									
NEW: Employment (000's), SA	2,017	2,094	2,146	2,153	2,144	2,150	2,154	2,156	2,161
% change	-0.4	3.8	2.8	4.1	2.7	2.2	2.1	1.8	1.7
NEW: Unemployment Rate (%), SA	6.5	5.4	4.7	4.5	4.6	4.6	4.4	4.4	4.5
NEW: Participation Rate (%), SA	72.9	73.7	73.5	73.7	73.3	73.2	73.2	73.1	73.1
Average Weekly Earnings ($), SA	993.28	1,038.69	1,065.06	1,055.07	1,068.06	1,088.99	1,084.26	..	..
% change	4.6	4.6	3.1	1.2	3.9	5.5	3.2	..	..
Price Indices									
Consumer Price Index	1.0	2.4	1.4	0.4	1.3	0.9	1.0	1.4	..
Excluding food and energy	0.8	0.8	1.4	1.5	1.6	1.4	1.4	1.1	..
Non-Res. Building Cons. Price Index[3]	0.1	3.4	4.3	..	4.1	..	..	..	..
Farm Product Price Index	-1.8	17.4	6.3	7.1	8	..	..	..	..
Crops	-9.6	18.0	2.1	3.2	1.4	..	..	..	..
Livestock	5.7	16.8	9.6	9	12.8	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	27.1	25.7	33.0	33.7	33.9	33.4	29.4	33.4	..
% change	33.5	5.1	38.9	30.5	45.5	31.9	-6.2	36.2	..
New Housing Price Index[4]	0.5	0.4	1.0	1.0	1.2	1.5	1.6	..	..
Edmonton	-0.8	0.9	0.8	1.1	0.8	0.8	0.9	..	..
Calgary	1.7	-0.1	1.1	0.8	1.7	2.3	2.4	..	..
MLS Average Resale Prices ($ 000's)	350.9	352.7	360.0	365.5	360.5	363.1	363.9	361.2	..
% change	3.1	0.5	1.8	3.9	2.7	3.2	3.6	0.6	..
Edmonton ($ 000's)	326.5	324.2	331.4	333.7	332.2	331.8	334.0	322.9	..
% change	2.3	-0.7	2.3	4.0	3.7	1.2	2.9	2.7	..
Calgary ($ 000's)	397.4	401.9	406.6	413.3	410.2	411.5	410.9	408.7	..
% change	3.4	1.1	0.8	2.4	2.3	3.1	1.8	0.4	..
Retail Sales, SA	6.0	6.9	8.9	8.6	7.1	9.4	8.1	..	..
New Motor Vehicle Sales	9.5	9.6	12.4	22.6	5.8	10.8	9.0	..	..
NEW: Consumer Bankruptcies (level)	8,150	7,029	4,083	515	484	489	454	..	..
% change	-18.4	-13.8	-17.2	16.5	-25.4	-8.4	-23.7	..	..
Business Sector									
NEW: Rigs Drilling (level)	207	286	246	88	139	198	223	229	236
% change	68.1	30.4	-11.0	4.5	-7.3	-17.5	30.9	-33.7	-29.6
Goods Exports (customs based)	12.6	18.5	5.6	1.1	1.4	-0.1	-7.5	..	..
Energy	17.4	19.4	6.9	1.8	1.1	2.2	-9.1	..	..
Agriculture	-14.3	21.4	13.3	10.3	1.5	-10.5	17.8	..	..
Total Farm Cash Receipts (quarterly)	-3.7	16.3	28.3	..	..	..	..	..	..
Manufacturing Shipments, SA	11.3	18.0	9.2	7.7	5.6	5.5	4.2	..	..
Wholesale Trade, SA	8.5	15.0	14.5	17.0	10.6	12.7	10.1	..	..
Building Permits, SA	1.3	11.8	13.4	20.2	13.3	0.1	7.4	..	..
Residential	22.4	5.2	19.7	27.0	14.6	1.2	26.9	..	..
Non- residential	-18.3	20.9	6.0	13.2	11.5	1.5	-14.3	..	..
NEW: Business Bankruptcies (level)	378	264	160	28	22	16	10	..	..
% change	-6.7	-30.2	-8.0	27.3	37.5	6.7	-61.5	..	..

YTD (year- to- date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted.

[1] Unless otherwise indicated, all figures are year- over- year percentage change and not seasonally adjusted.

[2] Quarterly; annual numbers are presented on a census year basis (July 1—June 30).

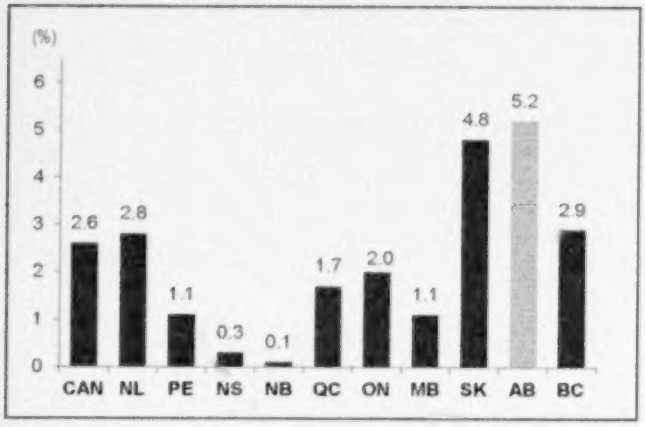
[3] Quarterly, average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

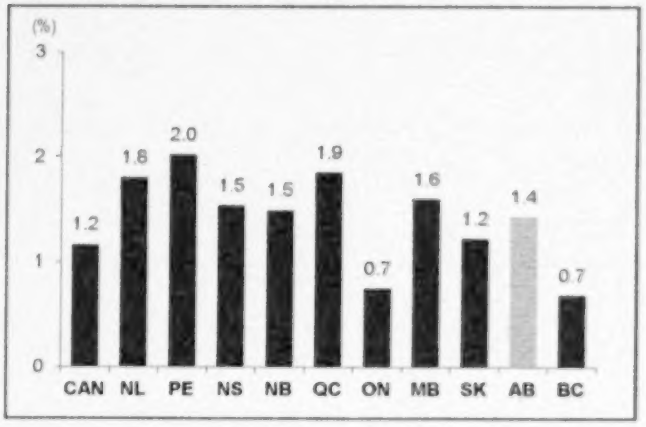
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

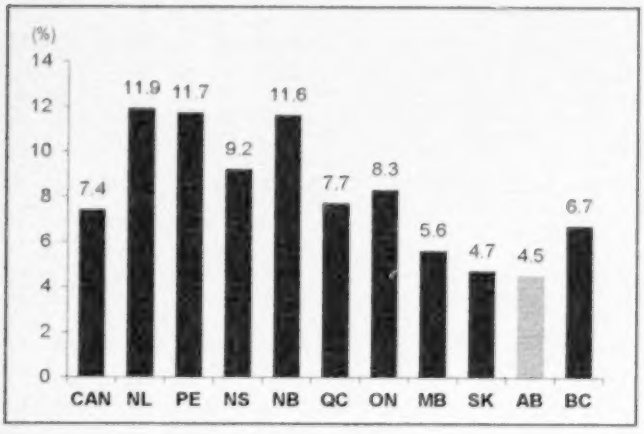
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



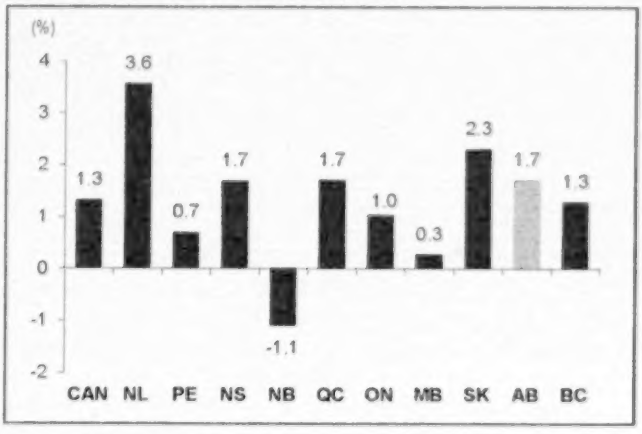
CPI Inflation
(September 2012, year-over-year growth in CPI)



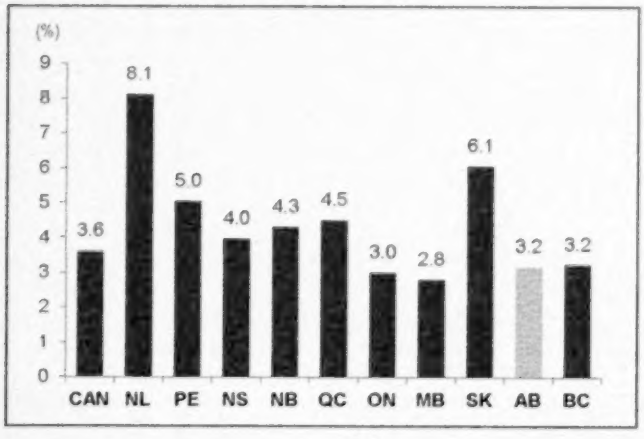
Unemployment Rate
(October 2012)



Employment
(October 2012, year-over-year growth)



Average Weekly Earnings
(August 2012, year-over-year growth)



Housing Starts
(September 2012, SAAR, year-over-year growth)